

SENT VIA EMAIL

June 15, 2012

Jim Unland
President
San Jose Police Officers' Association (POA)
1151 North Fourth Street
San Jose, CA 95112

RE: Sick Leave Payout Negotiations

Dear Jim:

We are following up with you regarding the City's proposal on Sick Leave Payout.

As you may recall, on or about December 7, 2011, the City proposed to eliminate Sick Leave Payout effective July 1, 2012, for both current and future employees. While the POA chose to incorporate this issue into its proposals during the retirement reform negotiations, the City's position continues to be that Sick Leave Payout is a separate issue, hence the execution of a side letter agreement to continue negotiations on Sick Leave Payout independent of other issues.

Given the divergent positions of the City and the POA, we have reached impasse on Sick Leave Payout. We are hopeful that our mutual participation in the impasse procedures will help us resolve this issue and we look forward to engaging the POA in mediation over Sick Leave Payout. We will be contacting the State Mediation and Conciliation Service to request the assignment of a mediator.

Please feel free to contact me with any questions.

Sincerely,



Gina Donnelly
Deputy Director of Employee Relations

c: Alex Gurza, Deputy City Manager
Gregg McLean Adam, Carroll, Burdick & McDonough LLP